

Sample Board Resolutions

Authorizing the Conversion of Class B Stock Earned as Patronage Refunds to Class C Stock

Converting eligible patronage refunds only one time.

WHEREAS, The Board of Directors of the Rural Telephone Bank adopted a resolution at its November 9, 1999, meeting authorizing borrowers to convert a portion of their Class B stock earned as patronage refunds to Class C stock;

THEREFORE BE IT RESOLVED, That eligible Class B stock earned as patronage refunds and issued to _____ be converted to Class C stock; and

BE IT FURTHER RESOLVED, That, upon notification from the Rural Telephone Bank, _____ shall surrender to the Telephone Bank the corresponding amount of Class B share certificates.

Converting all eligible patronage refunds on an annual basis.

Each year, as additional principal is repaid, additional Class B patronage capital may be eligible for conversion. If your company wishes to convert eligible patronage capital on an annual basis, the board resolution should include such a provision. For example:

WHEREAS, The Board of Directors of the Rural Telephone Bank adopted a resolution at its November 9, 1999, meeting authorizing borrowers to convert a portion of their Class B stock earned as patronage refunds to Class C stock;

THEREFORE BE IT RESOLVED, That all eligible Class B stock earned as patronage refunds and issued to _____ be converted to Class C stock and, until receipt of written notification to the Bank otherwise, _____ wishes to continue to convert eligible patronage capital on an annual basis; and

BE IT FURTHER RESOLVED, That, upon notification from the Rural Telephone Bank, _____ shall surrender to the Telephone Bank all Class B share certificates.

Board resolutions should be sent to the following address:

Ms. Roberta D. Purcell, Assistant Administrator
Telecommunications Program
Rural Utilities Service
Room 4056-S, Mail Stop 1590
Washington, DC 20250-1590